

PLACER COUNTY



Office of the County Executive

June 20, 2000

TO: Honorable Board of Supervisors
County Departments and Employees
Members of the Public

RE: FY 2000-01 PROPOSED BUDGET MESSAGE

INTRODUCTION AND OVERVIEW

This Budget Message summarizes the FY 2000-01 Recommended Proposed Budget for Placer County, which totals **\$270,434,335**. The budget represents an increase of \$6.7 million (2.5%) over the FY 1999-00 Final Budget. The following chart compares the FY 1999-00 and FY 2000-01 expenditure budgets by major governmental function performed.

MAJOR BUDGET EXPENDITURE CATEGORY	FY 1999-00 FINAL BUDGET	FY 2000-01 REC'D BUDGET	% BGT. CHANGE
Gen'l. Govt. & Finance	\$36,135,385	\$37,768,709	5%
Capital Construction & Debt Service	21,170,209	22,503,883	6%
Public Protection	75,287,675	79,696,478	6%
Roads	28,948,800	23,033,449	-20%
Health & Social Services	36,593,173	43,303,913	18%
Public Assistance	41,556,961	39,595,827	-5%
Education, Recreation & Promotion	10,029,232	9,401,776	-6%
Contingencies & Reserve Additions	13,989,738	15,130,300	8%
TOTAL BUDGET USES	\$263,711,173	\$270,434,335	2.5%

The recommended employee positions of 2,472 have increased by a net of only **20** positions from FY 1999-00's final approved allocation of 2,452. The following chart shows the same FY 1999-00 and FY 2000-01 budgets by type of expenditure.

MAJOR BUDGET EXPENDITURE CATEGORY	FY 1999-00 FINAL BUDGET	FY 2000-01 REC'D BUDGET	% BGT. CHANGE
Salaries & Benefits	\$121,435,431	\$132,235,275	9%
Services & Supplies	60,032,669	61,671,294	3%
Other Charges	30,763,925	29,208,229	-5%
Construct. Projects/Fixed Assets	30,974,711	26,504,510	-14%
Transfers (Net)	6,514,699	5,684,727	-13%
Contingencies & Reserves	13,989,738	15,130,300	8%
TOTAL APPROPRIATIONS:	\$263,711,173	\$270,434,335	2.5%

General Fund

The General Fund underwrites the majority of countywide operations, either directly or through subventions to other funds. The FY 2000-01 General Fund recommended total budget is **\$170,023,734**. This is an increase of \$8.1 million and 5% over the FY 1999-00 Final General Fund Budget. However, \$6.2 million of the increase is due solely to the transfer of the District Attorney's Family Support Division to the General Fund from the Public Safety Fund, in preparation for that division's required change to a stand-alone department. **The General Fund operating budget is again balanced without the use of fund balance carryover.** Operating expenditures, i.e. total expenditures less contingencies, reserve additions, and capital outlay, add up to \$147,365,483 while total revenues are estimated at \$154,423,734.

Recommended General Fund contingencies have more than doubled from \$3.5 million in FY 1999-00 to \$7.26 million for FY 2000-01. Also recommended are additions to General Fund reserves of \$7.089 million, of which \$5.5 million is for future county buildings. Included in the General Fund recommended budget is support to continue supplemental Road maintenance and projects of nearly \$5.4 million, funding of the new Jail housing unit and the Jail controls project, and rebudgeting of the initial funding for the proposed new Land Development building.

Other Operating Funds

Most other operating fund expenditures have decreased except for the Capital Improvements Fund (formerly called the County Office Building Fund) and the Systems of Care Fund (formerly called the Mental Health Fund). The expenditures in these two funds have increased based largely on additional contributions from the General and other Funds and on expected receipt of new and increased state and federal revenues. One other fund—the Public Safety Fund—shows a net reduction in expenditures but this is because of (1) the transfer out of Family Support Division expenditures (and revenues) to the General Fund and (2) the General Fund being charged back for an increased contribution to support the public safety functions. **Actual public safety expenditures have increased.**

FY 2000-01 BUDGETARY APPROACH AND ASSUMPTIONS

The FY 2000-01 recommended Proposed Budget has been developed to maintain current levels of services while constraining the growth of County employee positions, to accommodate essential increases and one-time costs, especially for capital construction, and to increase reserves. **To achieve these objectives, the County Executive Office reduced department requested budgets by \$12.65 million and 120 requested new positions.** The recommended Proposed Budget was developed based upon the following estimates, assumptions and policy considerations:

- An estimated 8% increase in property taxes and a 5% increase in sales taxes (over actual FY 1998-99) and fund balance carryover from FY 1999-00 of \$15.6 million in the General Fund.

- Recommended base General Fund Contingencies of \$2.335 million or approximately 1.5% of budgeted expenditures, and recommended additional General Fund contingencies of \$4.925 million to cover potential increased mental health and indigent medical costs (\$1.5 million), other priorities identified by your Board (\$2.5 million) including items “Recommended if Funding is Available,” and possible rebudgeted expenditures (\$925,000) from FY 1999-00.
- General Fund contributions to the Public Safety Fund increased to provide for a level of per capital funding consistent with prior years and to meet higher departmental operating costs. It is anticipated that this higher General Fund subvention level will not increase again until the FY 2003-04 budget year.
- Department funding levels and staffing patterns consistent with a target net budget approach, allowing only very modest cost-of-living-adjustments for some categories of expenditures and a minimum of new, unreimbursed positions or fixed assets.
- Maintenance of prudent reserves, especially for future economic downturns or emergency requirements.
- Budget narratives that continue to provide an emphasis on major fiscal and policy issues, increases or decreases in significant expenditures and revenues, and key performance measures.

OBJECTIVES FOR FISCAL YEAR 2000-01

The following outlines key objectives, issues and challenges that we expect to address in the upcoming fiscal year and for which financial and/or staff resources have been allocated in the recommended budget:

Infrastructure and Community Quality of Life

- Continue planning for new, expanded and remodeled land development (Building Inspection, Planning, Public Works and other departments) facilities.
- Continue planning and construction efforts for new, expanded and remodeled criminal justice facilities, including the upgrade of the Jail control systems and the new Jail housing unit. The latter project is funded in part by facility impact fees.
- Complete and update County public works and community infrastructure master plans, including the County Capital Improvements and DeWitt master plan, to better identify the impacts of growth, priorities, needed resources, financing solutions, and key planning horizons and events.
- Continue work on an open space implementation plan, including funding sources (Placer Legacy).

- Maintain General Fund facility and administrative cost subventions for the County Library to allow for higher books and materials budgets and current branch operating hours.
- Continue our State-Local partnership for funding local arts programming.
- Finalize construction and financing plans for specific road and related improvement projects throughout the County.
- Continue planning and federal advocacy efforts to fund and construct a regional wastewater treatment facility in the southwest area of the county.

Fiscal and Administrative Management

- Continue comprehensive financial planning efforts, including updating the county-wide facility impact fee program, maintaining efforts to implement the fees within the incorporated areas of the county, developing tax sharing agreements with other jurisdictions, and developing debt management policies and strategies.
- Develop plans to provide cash flow financing and mitigate the imbalance between resources and requirements for the County's medical and mental health programs.
- Continue implementation of "Best Budget Practices" to improve County strategic planning and to better focus on multi-year financial, operating and capital plans.
- Assist in the implementation of an internal auditing program within the Auditor-Controller's Office and the major GASB 34 changes in governmental reporting.
- Reinstate a County grants coordination program.
- Continue participation in oversight of the County's deferred compensation program and review of other employee benefit programs.
- Proceed with implementation of an expanded employee and organizational development program that commits more resources to training and career development, workplace productivity, employee relations and incentives, and succession planning for departments.
- Initiate and successfully conclude labor negotiations with the Placer Public Employees Organization leading to another multi-year agreement.
- Update technology planning for the County and complete a review of charging methodologies.
- Continue to develop and refine meaningful performance measures for major County functions

and activities to allow for comparisons of service costs across fiscal years and similar jurisdictions and to assist in determining funding priorities and program effectiveness

- Maintain and augment General Fund reserves to provide prudent levels of resources for emergencies, economic downturns, and future capital outlay and major systems needs and develop a plan to implement reserve policies for all operating funds.

Essential Services

- Respond effectively to social services caseload growth, medical and mental health service needs and funding changes, and the closure of the County's private inpatient psychiatric facility.
- Reach concurrence on a multi-year budget accord with the criminal justice departments to assure an agreed upon level of General Fund support through FY 2003-04.
- Redirect and reduce staffing previously allocated to public assistance functions due to declining aid caseloads.
- Fund an expanded worker safety program for County worksites, including any essential safety and security improvements in County facilities.
- Complete disaster recovery projects, update business continuity planning processes, and continue emergency response training for County employees and agencies.
- Maintain an effective economic development program targeted at business retention, development and attraction.

ITEMS RECOMMENDED IF FUNDING IS AVAILABLE

Most departments requested resources greater than could be accommodated within the recommended target net budgets. Those items that may nevertheless be "Recommended if Funding is Available" are listed in a schedule following this Budget Message. Funding for some or all of these items in General Fund budgets has been included in Appropriation for Contingencies, pending final review by this office and approval by your Board. For non-General Fund budgets, additional "Recommended if Funding is Available" items generally will be recommended only if additional money becomes available within the respective Funds, and not from General Fund sources.

Respectfully submitted,

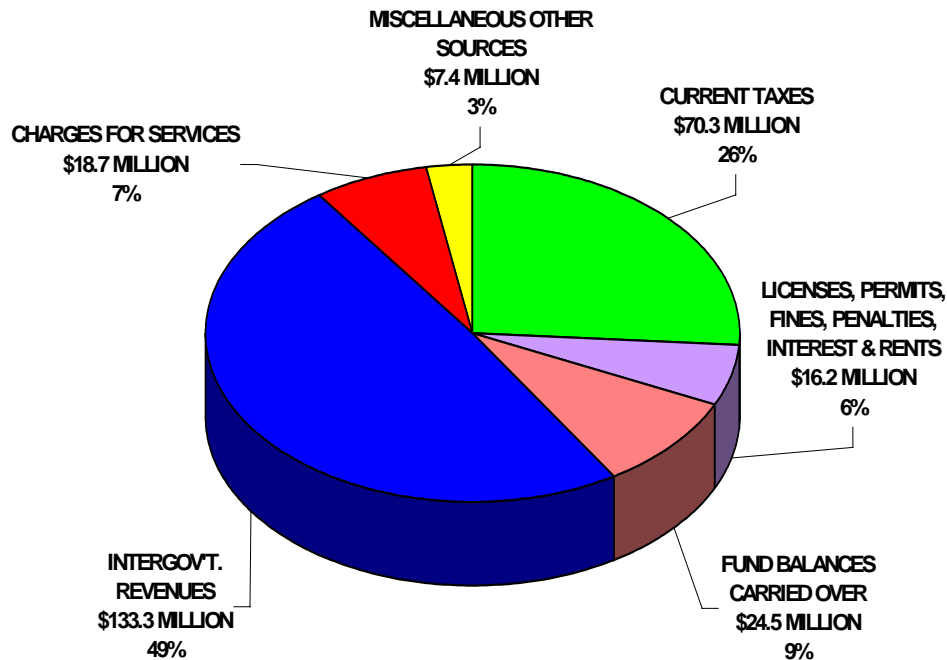
Donald G. Lunsford
County Executive Officer

DGL:GC

FY 2000-01 REC'D. PROPOSED COUNTY BUDGET

REVENUES & SOURCES OF FUNDS

TOTAL \$270,434,335



BUDGET CATEGORY	FY 1999-00	BGT. %	FY 2000-01	BGT. %
CURRENT TAXES	\$63,316,626	24%	\$70,279,950	26%
LICENSES, PERMITS, FINES, PENALITIES, INTEREST, AND RENT	15,457,286	6%	16,198,837	6%
INTERGOVERNMENTAL REVENUES	129,763,064	49%	133,313,522	49%
CHARGES FOR SERVICES	19,334,984	7%	18,715,552	7%
MISCELLANEOUS OTHER SOURCES	6,100,847	2%	7,411,178	3%
FUND BALANCE CARRY-OVER	29,738,366	11%	24,515,296	9%
TOTAL BUDGET SOURCES	\$263,711,173	100%	\$270,434,335	100%

SUMMARY OF TOTAL BUDGETS & POSITIONS BY DEPARTMENT

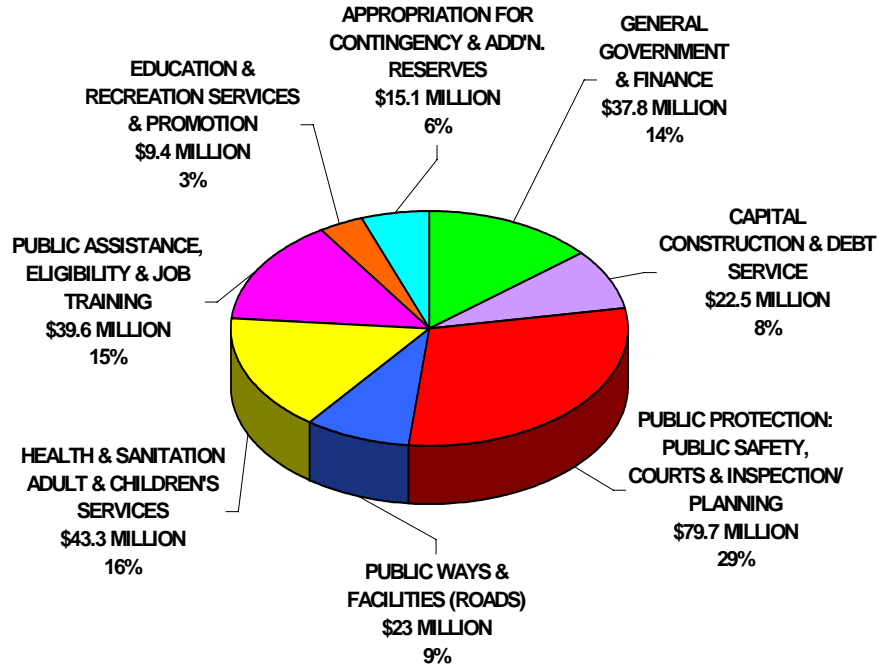
DEPARTMENTS:	FY 1999-00 FINAL BUDGET	FY 1999-00 ALLOC'D POSITIONS	FY 2000-01 REC'D BUDGET	FY 2000-01 REC'D POSITIONS
Administrative Services	\$11,065,772	99	\$11,011,131	100
Agricultural Commisioner	781,697	11	797,649	12
Assessor	4,645,921	73	4,886,809	73
Auditor-Controller	2,151,049	36	2,308,924	36
Board of Supervisors	650,517	10	682,246	10
Building Inspection	2,295,000	35	2,403,900	35
County Clerk/Recorder	3,841,302	45	4,087,002	45
County Counsel	1,458,770	18	1,515,621	20
County Executive Office	15,040,161	57	14,295,580	57
Non-Dept. Contg. & Contrib.	67,652,917	0	68,275,599	0
County Library	2,633,251	42	2,795,460	42
District Attorney	10,436,517	192	10,701,032	192
Facility Services	24,711,066	193	30,157,378	193
Farm Advisor	141,602	2	143,815	2
Health and Human Services	84,516,577	789	89,736,380	791
Museums	475,926	7	493,137	7
Personnel	4,115,670	22	4,725,675	22
Planning	3,815,000	38	3,977,839	42
Probation	5,627,663	129	6,693,736	129
Public Works	36,552,904	234	29,245,451	238
Sheriff	22,010,499	392	21,570,788	398
Treasurer-Tax Collector	1,740,176	25	1,840,229	25
Veterans Services	189,174	3	193,069	3
TOTAL APPROPRIATIONS:	\$308,549,131	2452	\$312,538,466	2472
ADDITIONS TO RESERVES:	\$9,741,238		\$7,089,000	
TOTAL BUDGET: *	\$316,280,369	2452	\$319,627,466	2472

* Total includes General, Other Operating, Internal Service and Enterprise Funds

SUMMARY OF TOTAL BUDGETS BY FUND

FUND	FY 1999-00 FINAL BUDGET	FY 1999-00 ALLOC'D POSITIONS	FY 2000-01 REC'D BUDGET	FY 2000-01 REC'D POSITIONS
Total General Fund	\$161,952,022	981	\$170,023,734	1047
Total Other Operating Funds	101,759,151	1229	100,410,601	1172
SUB-TOTAL OPER. FUNDS *	\$263,711,173	2210	\$270,434,335	2219
Total Internal Service Funds	\$28,968,342	102	\$26,462,126	103
Total Enterprise Funds	23,600,854	140	22,731,006	150
SUB-TOTAL OTHER FUNDS	\$52,569,196	242	\$49,193,132	253
TOTAL FUNDS:	\$316,280,369	2,452	\$319,627,467	2,472

FY 2000-01 REC'D. PROPOSED COUNTY BUDGET
EXPENDITURES & USES
TOTAL \$270,434,335



BUDGET CATEGORY	FY 1999-00	BGT. %	FY 2000-01	BGT. %
GENERAL GOVERNMENT & FINANCE	\$36,135,385	14%	\$37,768,709	14%
CAPITAL CONSTRUCTION & DEBT SERVICE	21,170,209	8%	22,503,883	8%
PUBLIC PROTECTION	75,287,675	29%	79,696,478	29%
PUBLIC WAYS & FACILITIES (ROADS)	28,948,800	11%	23,033,449	9%
HEALTH, SANITATION & SOCIAL SERVICES	36,593,173	14%	43,303,913	16%
PUBLIC ASSISTANCE	41,556,961	16%	39,595,827	15%
EDUCATION, RECREATION SERVICES & PROMOTION	10,029,232	4%	9,401,776	3%
APPROPRIATIONS FOR CONTINGENCIES & RESERVE ADD'NS.	13,989,738	5%	15,130,300	6%
TOTAL BUDGET USES	\$263,711,173	100%	\$270,434,335	100%

Placer County Profile

POPULATION

Land area (acres):	898,820	Cities	Population 1-1-99
Population, 7-1-98	223,100	Roseville	71,600
Percent of California	0.7	Rocklin	31,700
Population, 1-1-99	225,900	Auburn	11,600
		Lincoln	8,775
1-1-99		Loomis	6,000
Population in households	223,376	Colfax	1,500
Population/household	2,601	Unincorporated	94,700

EDUCATION

Median years of school, 1990 ***	13.8	Spending on education: School districts*	1997-98 (\$ mill) 319.3	* Not including community college districts.
Enrollment, Fall 1998 (public & private schools)				** Includes governmental, proprietary and fiduciary group funds.
Kindergarten-12	55,122		1988-89 (\$ mill)	*** May not be comparable to the 1980 census. The 1990 median was computed on the basis of educational attainment.
Enrollment, Fall 1987		Community colleges**	23.2	The 1980 median was based on actual years of school completed.
College/University				
Community colleges	11,159			

LABOR FORCE AND EMPLOYMENT

Civilian labor force, 1999	119,900	Number of establishments by industry and employment size, 1997						
Civilian employment	116,000	Employment size	All industries **	Mining/Construction	Manufacturing	TCU ***	Trade	FIRE ****
Unemployment	3,900							Services
Unemployment rate	3.2							
Nonagricultural wage & salary employment, 1999 (BLS series) *	686,800	1-4	3,676	725	124	113	710	442
Percent of California	4.9	5-9	1,304	183	56	30	414	118
Mining	200	10-19	716	105	46	19	249	67
Construction	43,800	20-49	438	50	28	14	188	41
Manufacturing	48,100	50-99	158	14	10	5	76	11
Transportation-utility	27,500	100-249	76	7	10	3	29	6
Trade	144,700	250-499	14	--	1	3	5	1
Finance-insurance-real estate	50,400	500-999	9	--	1	--	1	--
Services	193,500	1000 +	5	--	3	--	--	--
Federal government	14,700	Total	6,396	1,084	279	187	1,672	686
State-local government	163,900							2,272
* Includes Sacramento and El Dorado counties.		** Includes agricultural services, forestry, and fishing.						
Totals may not add due to rounding.		*** Transportation, communication, and public utilities						
		**** Finance, insurance, and real estate						

INCOME AND SALES

Personal income, 1997 (mill.)	6,382.5	Median family income, Census	1979 21,662	1989 42,805
Percent of California	0.8	Median household income, Census	18,685	37,601
County Rank	23			
Per capita income, 1997	28,935	Total taxable sales, (\$ mill.)	1997 3,066.4	1998 3,405.2
Percent of California	110.0	Percent of California	0.9	0.9
County Rank	11	Taxable retail sales	2,122.3	2,345.5
Avg. earnings per job, 1997	27,446	Sales and Use tax rate (includes state, local, and district taxes)	7.25%	
Avg. wages per job, 1997	27,146	Median adjusted gross income based on personal income tax returns, 1997:		
Avg. earnings per nonfarm proprietor, 1997	21,268	Individual	\$31,776	
		Joint	\$55,979	

HOUSING AND CONSTRUCTION

	4-1-90	1-1-99		Units	Valuation (\$ mill.)	Median home price, *	
Housing stock	77,879	102,344	Housing authorizations, 1998			November 1998	\$189,750
Percent of California	0.7	0.8	Total	5,206	\$756.9	November 1999	\$192,500
Single family	61,482	82,030	Percent of California	4.1	3.4	* Derived from all types of home sales: new and existing, condos and single-family	
Multiple family	10,821	15,027	Single family	3,878	647.0		
Mobile homes, trailers, etc.	5,576	5,287	Multi-family	1,328	83.8		
Vacancy rate (percent):	17.7	16.1	Nonresidential permits	--	\$213.9		
			Percent of California		1.4		

Placer County Profile (cont'd.)

MANUFACTURING

	1987	1992		
Value added by manufacture, (\$ mill.)	412.0	938.9	Capital expenditures:	(\$ mill.)
Percent of California	0.3	0.6	1987	28.4
			1992	32.1
Leading industries:				
Electronic and other electric equipment		99.0	Payroll in manufacturing:	(\$ mill.)
Lumber and wood products		54.4	1990	209.8
Stone, clay, and glass products		28.0	1997	447.1
Printing and publishing		27.1		
Industrial machinery and equipment		(D)	Number of mfg. establishments:	
			1990	256
Timber production, 1998 (Thous. of board ft.)	65,320		1997	279
Percent of California	3.1			

(D) Data not shown to avoid disclosure of confidential information.

AGRICULTURE

Number of farms, 1997	997	Leading commodities with value of production, 1998	\$ mill.
Acreage in farms, 1997	139,597		
% of land area	15.5		
Agricultural employment, 1999 *	4,100	Rice	11.6
Value of production, 1998 (\$ mill.)	45.8	Nursery	10.8
Percent of California	0.2	Cattle and calves	10.0
County Rank	41	Pasture and range	4.3
Livestock and livestock products	13.8	Walnuts	1.3
Poultry and poultry products	0.0	Sheep	1.2
Field crops	17.8	Hay	1.0
Vegetables	0.0	Peaches	0.2
Fruits and nuts	2.9	Oranges, mandarin	0.2
Nursery products	10.8	Apples	0.2
Seed crops	0.0		
Apiary products	0.5		

* Includes Sacramento and El Dorado counties.

TRANSPORTATION

Vehicle registrations, 1998		Miles of streets, roads and highways, 1998	1,726.7
Total	233,764		
Automobiles	143,552		
Per capita (7-1-98 pop.)	0.64		
Trucks	53,777		
Motorcycles	4,627		
Trailers	31,808		

PUBLIC FINANCE

Revenues:		Per capita*	Per \$1,000 income**	Expenditures:	
1996-97	\$ mill.			1997-98	\$ mill.
County government tax collections, total	53.0	253.13	8.97	Federal	789.3
Property tax	36.8	175.84	6.23	Defense	65.7
Sales tax	7.9	37.86	1.34		
Total receipts, local government, 1995-96	784.9			1996-97	\$ mill.
				County	192.5
				City	180.7
				School districts	277.9
				Special districts	n.a.
				Redevelopment agencies	10.2

* 7-1-96 population

** 1996 personal income n.a. Not available at the time of publication.

SOURCE

California Department of Finance
Economic Research
(916) 322-2263 Internet address: www.dof.ca.gov

February 2000